

# ITEM NO. 4C

## RESOLUTION NO. 16-02

### A RESOLUTION ADOPTING 2016 WATER AND SEWER CONNECTION CHARGES

WHEREAS, the assessable cost for water and sewer connections are determined by the following formulas:

A. 1964 Sewer

Construction Cost Index as published by the  
Engineering News Record (ENR) the year in  
which the assessable cost would be applicable. X \$1,138/unit  
January 1, 1976 ENR Construction Cost Index

B. 1972 Water

Construction Cost Index as published by the  
Engineering News Record (ENR) the year  
in which the assessable cost would be applicable X \$1,500/unit  
January 1, 1980 ENR Construction Cost Index

C. 1988 Water Tower

Construction Cost Index as published by the  
Engineering News Record (ENR) the year in  
which the assessable cost would be applicable X \$ 640/unit  
September 1, 1988 ENR Construction Cost Index

WHEREAS, the Construction Cost Index in the numerator of the above formula is to be determined in January of each year by Engineering News Record (ENR) and is to be used for the remainder of that calendar year; and

WHEREAS, staff has recommended using the December index for each annual adjustment in January so that the connection charges can be adjusted annually at the first Council meeting of the year; and

WHEREAS, the index in December of 2014 is 9936.44, and the index in December of 2015 is 10,200.56.

WHEREAS, to derive the multiplier to calculate the 2016 connection charges, the 2015 index is divided by the 2014 index (10,200.56/9667.77), therefore the percentage increase = 1.03%; and

WHEREAS, based on that percentage the new connection charges for 2016 would calculate as follows:

<u>Water Tower</u> =	\$1,028.98
	<u>X 1.03%</u>
	1,059.85
<u>Water System</u> =	\$3,486.56
	<u>X 1.03%</u>
	3,522.47
<u>Sewer System</u> =	\$3,596.26
	<u>X 1.03%</u>
	3,633.30

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Tonka Bay, Hennepin County, Minnesota, that the new water and sewer connection charges for 2016 be established as follows:

Water Tower	1,059.85
Water System	3,522.47
Sewer System	3,633.30

ADOPTED at a regular meeting of the Tonka Bay City Council this 12th day of January, 2016.

Motion introduced by \_\_\_\_\_ and seconded by \_\_\_\_\_.

Roll Call Vote:  
Ayes –  
Nays –  
Absent –

\_\_\_\_\_  
Gerry De La Vega, Mayor

ATTEST:

\_\_\_\_\_  
Lindy Crawford, City Administrator